



Los Angeles County AUDIT COMMITTEE

Louisa Ollague, Chair
1st District
Lori Glasgow, Vice Chair
5th District
Dorinne Jordan
2nd District
Genie Chough
3rd District
Carl Gallucci
4th District

MINUTES

June 17, 2010

Chair Louisa Ollague called the meeting to order at 10:46 a.m. in Conference Room 525, Kenneth Hahn Hall of Administration.

Committee Members Present

Louisa Ollague, Chair, First District
Genie Chough, Third District
Carl Gallucci, Fourth District

Committee Members Excused Absence

Lori Glasgow, Vice Chair, Fifth District
Dorinne Jordan, Second District

APPROVAL OF MAY 20, 2010 MINUTES

On motion of Carl Gallucci, and by common consent, there being no objection, the minutes of May 20 2010 were approved.

OLD BUSINESS

- Review of Board Policy No. 5.125 – Economic Development – Business Incentive Program (4/15/10)
- Friends Research Institute, Inc. Contracts Review – A Department of Public Health HIV/AIDS Prevention Services Provider (5/4/10)
- LAMP Community Contract Review – A Department of Mental Health Service Provider (5/6/10)
- Los Angeles Homeless Services Authority Contract Review – A Department of Public Social Services Emergency Shelter Service Program Provider (5/6/10)
- Pacific Lodge Youth Services Contract Review – A Department of Mental Health Service Provider (5/12/10)
- Harbor-UCLA Medical Center Procurement Review (5/13/10)

By common consent, there being no objection, the Committee approved the aforementioned items.

- Sheriff's Department – Inmate Welfare Fund Financial/Compliance Audit (2/26/10)
 - Jim Schneiderman, Auditor-Controller, reported the Sheriff's Department did not provide any additional response but have indicated that they agree with the recommendations.

On motion of Louisa Ollague, seconded by Genie Chough and unanimously carried, the Committee received and filed the aforementioned report.

- Clontarf Manor, Inc. Contract Compliance Review – A Department of Mental Health Service Provider (2/26/10)
 - Don Chadwick, Auditor-Controller reported that Clontarf is presently trying to schedule a meeting with the Department of Mental Health (DMH) after receiving notice that their appeal was denied. Auditor-Controller has worked closely with DMH and they are both on board with the findings. Maria Oms, Auditor-Controller, added they will involve the Treasurer and Tax Collector (TTC) within the next 30 days to handle repayment of monies owed.

After discussion, by common consent, there being no objection, the Committee continued the aforementioned item to its July 15, 2010 meeting.

- Crystal Stairs, Inc. Contract Review – A Department of Public Social Services CalWORKS Stage One Child Care Program Provider (4/14/10)
- Chicana Service Action Center Contract Review – A Department of Public Social Services General Relief Opportunities for Work Program Provider (4/15/10)
- Jewish Vocational Service Contract Review – A Department of Public Social Services General Relief Opportunities for Work Program Provider (5/5/10)
- El Nido Family Centers Contract Review – A Department of Public Social Services CAL-Learn Program Provider (5/12/10)
- ALTAMED Health Services Corporation Contract Review – A Department of Public Social Services CAL-Learn Program Provider (5/18/10)
 - Aggie Alonso, Auditor-Controller, reported that at present these Department of Public Social Service (DPSS) Contracts contain fixed fees and do not have the required provisions in the contract that require the agency to either reinvest or return funds that are unspent. Auditor-Controller will work with DPSS and review previous year unspent funds to establish provisions for reinvestment or return options.

After discussion, by common consent, there being no objection, the Committee received and filed the reports and instructed the Auditor-Controller to report back on the aforementioned items at its July 15, 2010 meeting. Staff was instructed to list the items under Other Business.

- Community Union, Inc. Contract Review – A Department of Public Social Services Community Services Block Grant Program Provider (4/14/10)
 - Aggie Alonso, Auditor Controller, reported that after their review they found Community Union contained 90% of unallowable expenditures and DPSS has referred them to TTC for collection. As requested by Louisa Ollague at the last meeting, a review of facilities with occasional use space being occupied by Community Union was completed and it was discovered that Community Union still had equipment in three County facilities; Los Nietos, East Los Angeles, and San Fernando Service Centers. DPSS is in the process of drafting a letter asking them to remove their equipment.

After discussion, by common consent, there being no objection, the Committee received and filed the report and instructed the Auditor-Controller to report back on the aforementioned item at its July 15, 2010 meeting.

- Cost Analysis of Project 50 Homelessness Reduction Project (Board Agenda Item S-2, May 26, 2009) (4/23/10)
 - Louisa Ollague requested details of the line items listed in the chart provided under Budgeted and Actual Costs, Jim Schneiderman agreed to provide the details.

By common consent, there being no objection, the Committee received and filed the aforementioned report.

- New eHR Payroll System Support (4/29/10)
 - Bob Davis, Auditor-Controller, reported the new system establishing position control is scheduled for implementation before January 2012. The new software allows control of items at the unit level requiring departments to identify organizational units that every position resides with and attaches a salary budget for each unit.

On motion of Carl Gallucci and by common consent, the Committee received and filed the aforementioned report.

- Westside Family Health Center Contract Review – A Department of Public Health HIV/AIDS Prevention Services Provider (5/13/10)
 - Don Chadwick reported the Department of Public Health agrees with the recommendations and will require implementation by the contractor. The Auditor-Controller will assist them and do a follow up of the audit in six months.

By common consent, there being no objection, the Committee received and filed the aforementioned report.

BOARD POLICIES

On motion of Louisa Ollague, seconded by Carl Gallucci and unanimously carried, the Committee received and filed the following policies:

- Review of Board Policy No. 3.025 – Off-Peak Delivery of Commodities (5/25/10)
- Review of Board Policy No. 9.010 – EEO Non-Discrimination Policy Statement (5/25/10)

REPORTS TO BE RECEIVED AND FILED

- Exceptional Children's Foundation Contract Review – A Department of Mental Health Service Provider (5/19/10)
 - Don Chadwick reported the contractor adjusted their program expenditures and the Department of Mental Health is in the process of collecting the remaining balance.

On motion of Genie Chough and by common consent, the Committee received and filed the aforementioned report.

- Fraud Hotline Status Report – July 1, 2009 Through December 31, 2009 (5/24/10)
- Proposition A Contract – Probation Department Transcribing Services (Board Agenda 6/1/2010, Item 54) (5/28/10)
- Status of Terminated Employees with eCAPS System Access (6/3/10)

On motion of Genie Chough, seconded by Carl Gallucci and unanimously carried, the Committee received and filed the aforementioned reports.

- Audit of the Southern California Edison Company (SCE) Franchise Agreement (6/9/10)
- Review of FY 08-09 Federal Annual Certification Reports for the Narcotic Enforcement Fund and Vehicle Theft Program Fund (6/10/10)
 - Jim Schneiderman, Auditor-Controller, responded to Genie Chough's concern over the amount SCE should pay the County and reported that this 50 year old agreement is vague and simple and is currently being reviewed by everyone to determine what changes need to be made prior to its renewal July of next year.

On motion of Louisa Ollague, seconded by Carl Gallucci and duly carried, the Committee received and filed the aforementioned reports.

OTHER BUSINESS

Pending Audits/Monitoring Reports – Jim Schneiderman, Auditor-Controller reported a draft procurement audit of the Probation Department was leaked to the Los Angeles Times. Maria Oms reported specific information has not been given to the Los Angeles Times due to the confidentiality of personnel matters. Carl Gallucci suggested sending letters to all major credit card issuers asking them not to approve County requests for credit. Ms. Oms will provide Ms. Ollague with a list of upcoming audits.

PUBLIC COMMENT

There was none.

MATTERS NOT ON THE POSTED AGENDA (TO BE PRESENTED AND PLACED ON THE AGENDA OF A FUTURE MEETING)

There was none.

ADJOURNMENT

There being no further business to conduct, the meeting was adjourned at 11:45 p.m.

Others in Attendance

Maria Oms, Auditor-Controller
Judi Thomas, A-C
Jim Schneiderman, A-C
Don Chadwick, A-C
John Naimo, A-C

Bob Davis, A-C
Aggie Alonso, A-C
Frank Cheng, CEO
James Hazlett, CEO
Cordé Carrillo, CDC

Staff

Twila P. Kerr, Board of Supervisors
Lupe Duron, Board of Supervisors